

EXHIBIT A
TO DECLARATION OF JAMIN MCCALLUM

Total Credit/Debit Analysis (Ikon Weapons, LLC First Bank Account No. -7790)									
	Starting Balance 10/01/2020:			\$10,176.20					
Month/Year	Total Credits/Deposits	Total Credits/Deposits by PSA and/or Refund of Prior Payment for PSA Firearms	Total Credits/Deposits LESS PSA Deposit/Funds	Total Debits/Withdraws	Total Debits/Withdraws as Purported Payment for PSA Firearm Purchases	Total Debits/Withdraws LESS Purported Payments for PSA Firearm Purchases	Ending Balance	Ending Balance with PSA Deposits and Purported Payments for PSA Firearms Excluded	Pls. Dep. Ex. 10 (C/A No. 2022-CP-32-02241 (First Bank Records 10/01/2020 - 07/31/2022))
Oct-20	\$23,036.60	\$0.00		\$18,713.76	\$0.00		\$14,499.04		PSA 0339
Nov-20	\$28,485.96	\$0.00		\$17,168.92	\$0.00		\$25,816.08		PSA 0349
Dec-20	\$12,067.00	\$0.00		\$32,345.87	\$0.00		\$5,537.21		PSA 0359
Jan-21	\$254,175.00	\$0.00		\$58,841.70	\$0.00		\$200,870.51		PSA 0368
Feb-21	\$2,500.00	\$0.00		\$15,644.19	\$0.00		\$187,726.32		PSA 0374
Mar-21	\$0.00	\$0.00		\$43,294.50	\$0.00		\$144,431.82		PSA 0382
Apr-21	\$90,777.61	\$0.00		\$37,918.08	\$0.00		\$197,291.35		PSA 0392
May-21	\$1,933.03	\$0.00		\$109,960.43	\$0.00		\$89,263.95		PSA 0401
Jun-21	\$1,892,555.41	\$1,880,000.00	\$12,555.41	\$1,674,769.50	\$1,212,500.00	\$462,269.50	\$307,049.86	-\$360,450.14	PSA 0462, 0463, 0465
Jul-21	\$119,120.98	\$0.00		\$156,161.32	\$0.00		\$270,009.52	-\$397,490.48	PSA 0474
Aug-21	\$1,885,414.85	\$1,880,000.00	\$5,414.85	\$266,033.33	\$201,000.00	\$65,033.33	\$1,889,391.04	-\$457,108.96	PSA 482, 0483, 0484
Sep-21	\$1,960,080.16	\$1,957,004.00	\$3,076.16	\$3,516,439.93	\$2,405,532.00	\$1,110,907.93	\$333,031.27	-\$1,564,940.73	PSA 0489, 0490, 0491
Oct-21	\$11,015.36	\$0.00		\$160,973.23	\$0.00		\$183,073.40	-\$1,714,898.60	PSA 0497
Nov-21	\$89,257.30	\$0.00		\$146,571.68	\$0.00		\$125,759.02	-\$1,772,212.98	PSA 0506
Dec-21	\$237,113.62	\$0.00		\$283,964.89	\$0.00		\$78,907.75	-\$1,819,064.25	PSA 0515
Jan-22	\$82,712.29	\$0.00		\$82,083.89	\$0.00		\$79,536.15	-\$1,818,435.85	PSA 0525
Feb-22	\$75,443.42	\$0.00		\$136,491.69	\$0.00		\$18,487.88	-\$1,879,484.12	PSA 0534
Mar-22	\$22,313.86	\$0.00		\$28,882.79	\$0.00		\$11,918.95	-\$1,886,053.05	PSA 0544
Apr-22	\$146,847.01	\$0.00		\$142,133.02	\$0.00		\$16,632.94	-\$1,881,339.06	PSA 0560
May-22	\$79,724.60	\$0.00		\$74,041.10	\$0.00		\$22,316.44	-\$1,875,655.56	PSA 0572
Jun-22	\$280,200.19	\$0.00		\$195,563.47	\$0.00		\$106,953.16	-\$1,791,018.84	PSA 0583
Jul-22	\$81,392.76	\$0.00		\$99,945.81	\$0.00		\$88,400.11	-\$1,809,571.89	IKON2004 004192
Aug-22	\$62,736.02	\$0.00		\$115,150.18	\$0.00		\$35,985.95	-\$1,861,986.05	IKON2004 004244

EXHIBIT B
TO DECLARATION OF JAMIN MCCALLUM

**TRACING THE DEBTOR'S USE OF ENTRUSTED FUNDS
DELIVERED BY PALMETTO STATE ARMORY, LLC
FOR THE EXCLUSIVE PURPOSE OF ACQUIRING
THE PROMISED GOODS**

**PALMETTO STATE ARMORY v. IKON WEAPONS, LLC
(IN RE IKON WEAPONS, LLC)**

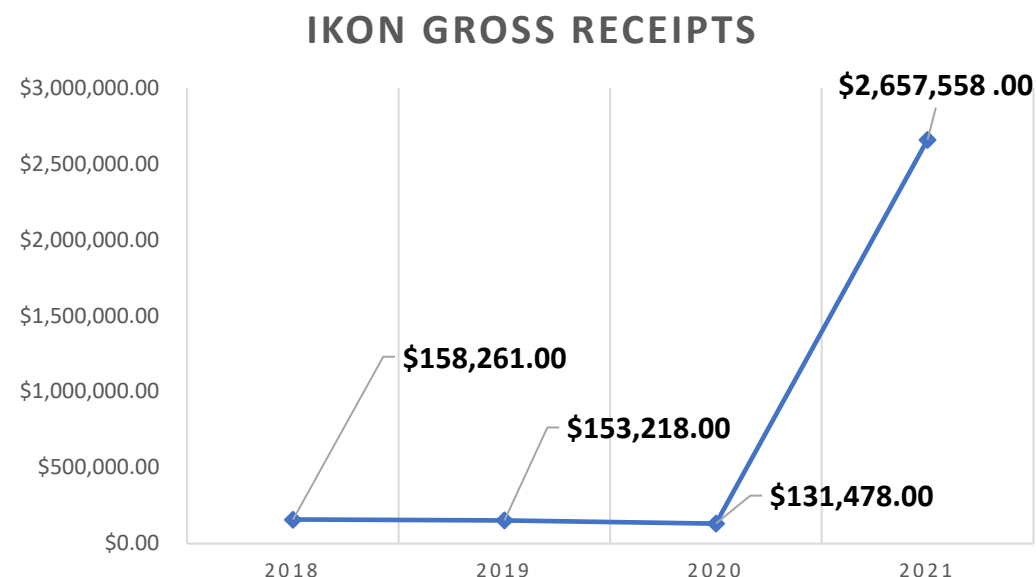
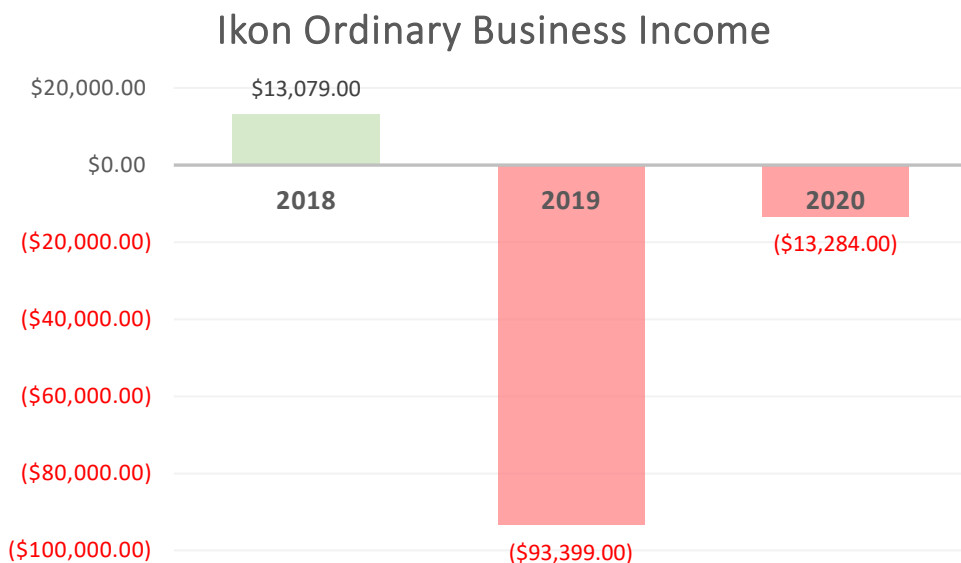
ADV. PROC. NO.: 22-02021

Outline

- Ikon's financial condition prior to PSA's deposits.
- How Ikon promised to use PSA's deposits.
- How Ikon actually used PSA's deposits.
- Summary of facts and evidence.

Case 22-02021 Doc 36 Filed 11/08/22 Page 6 of 14

Ikon Weapons, LLC was Losing Money



Prior to its transactions with PSA, Ikon is reporting **yearly losses** in ordinary business income for the two preceding tax years and **declining gross receipts**. The surge in gross receipts for TY 2021 reflects the transfer of PSA's entrusted funds to Ikon.

What Ikon Weapons, LLC and Mr. Deaza Promised ...



Jun. 17, 2021: \$1,880,000

Aug. 20, 2021: \$1,880,000

Sep. 1, 2021: \$744,500.00

\$4,504,504.00



Sep. 2, 2021: \$363,816.60*

Sep. 29, 2021: \$1,862,000.00**

\$2,174,532.00



*Purported payment on Serbian Agreement.

**Purported payment on Montenegrin Agreement.

Purchase Agreement, Jun. 16, 2021 (“Montenegrin Agreement”)

- Goods:
 - 5,500 AK M70 Kit of Parts – Underfold Stock
 - 2,500 AK M70 Kit of Parts – Fixed Stock
- Purchase Price: \$3,760,000.00 (100% of funds delivered)
- Extended Delivery Date: June 1, 2022

Ikon Invoice No. 173, Aug. 31, 2021 (“Serbian Agreement”)

- Goods:
 - 5,000 Zastava M70
 - 1,500 Zastava M76 Semi Auto (w/ accessories)
 - 297 Zastava Z-10 Auto
- Purchase Price: \$3,722,520.00 with 20% down (\$744,500.00) to bind transaction.
- Delivery Date: June 1, 2022

Promised Goods Delivered by Ikon to PSA to date: **NONE.**

In the event of default ... “Seller *shall return the Buyer’s Deposit* in accordance with the Buyer’s written instruction.” Purchase Agreement, ¶6(c)

What Ikon Weapons, LLC and Mr. Deaza Have Actually Done ...



Promised Goods
Delivered by
Ikon to PSA to
date: NONE.



- These 8 transactions alone total **\$379,915.31**. All transactions are for the *personal* benefit of Mr. Deaza or his company, Ikon.
- All transactions were made within **14 days** of the first deposit of the entrusted funds.
- This amount is more than **2.5 times** the gross sales reported by Ikon for tax year 2020.
- PSA did not authorize its entrusted funds to be used to fund Mr. Deaza's lifestyle or Ikon's business operations.
- Ikon had not (and still has not) secured a single firearm under the Montenegrin Agreement at the time of this "spending spree."
- *All* of these payments and purchases were made with PSA's entrusted funds.
- This is *only* a sample of Mr. Deaza's spending and not a complete accounting.

What Ikon Weapons, LLC and Mr. Deaza Have Actually Done ...



Promised Goods
Delivered by
Ikon to PSA to
date: NONE.

September 2, 2021:
 \$20,000.00 to Ikon's BoA Acct.



Sep. 8, 2021:
 \$363,816.60 to stock Ikon's
 inventory.



Sep. 13, 2021:
 \$357,496.89 to purchase personal
 home.



Sep. 15, 2021:
 \$133,952.00 partial payment for
 business machinery



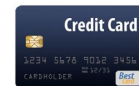
Sep. 15, 2021:
 \$10,000.00 escrow to purchase
 new Ikon facility



September 23, 2021:
 \$9,000.00 cash withdrawal to
 purchase business equipment



September 27, 2021:
 \$4,228.24 to pay down personal
 credit card



September 30, 2021:
 \$188,317.47 to purchase new
 Ikon facility



- These 8 transactions alone total **\$1,086,810.60**. All transactions are for the *personal* benefit of Mr. Deaza or his company, Ikon.
- All transactions were made within **45 days** of the second deposit of the entrusted funds.
- This amount is more than **8 times** the gross sales reported by Ikon for tax year 2020.
- PSA did not authorize its entrusted funds to be used to fund Mr. Deaza's lifestyle or Ikon's business operations.
- Ikon had not (and still has not) secured a single firearm under the Montenegrin Agreement or Serbian Agreement at the time of this "spending spree."
- **All** of these payments and purchases were made with PSA deposited funds.
- This is *only* a sample of Mr. Deaza's spending and not a complete accounting.

What Ikon Weapons, LLC and Mr. Deaza Have Actually Done ...



\$253,500.50

→ **3DC Projects, LLC**

Invoices from 3DC Projects, LLC to Ikon Weapons, LLC					
Amount	Invoice No.	Date:	Invoiced to:	Invoiced for:	Bates No.:
\$ 51,000.00	206	Jun. 30, 2021	Ikon Weapons, LLC	IKON2	IKON2004 000314
\$ (4,000.00)	209	Jul. 31, 2021	Ikon Weapons, LLC	IKON2	IKON2004 000326
\$ 1,000.00	2011	Aug. 30, 2021	Ikon Weapons, LLC	IKON2	IKON2004 000335
\$ 10,000.00	212	Sep. 30, 2021	Ikon Weapons, LLC	IKON3	IKON2004 000342
\$ 51,500.50	213	Oct. 31, 2021	Ikon Weapons, LLC	IKON3	IKON2004 000355
\$ 13,000.00	214	Nov. 30, 2021	Ikon Weapons, LLC	IKON3	IKON2004 000364
\$ 15,000.00	215	Dec. 30, 2021	Ikon Weapons, LLC	IKON3	IKON2004 000373
\$ 16,000.00	216	Jan. 31, 2022	Ikon Weapons, LLC	IKON3	IKON2004 000418
\$ 21,000.00	218	Feb. 28, 2022	Ikon Weapons, LLC	IKON3	IKON2004 000434
\$ 14,000.00	221	Apr. 30, 2022	Ikon Weapons, LLC	IKON3	IKON2004 000471
\$ 10,000.00	225	May 30, 2022	Ikon Weapons, LLC	IKON3	IKON2004 000491
\$ 10,000.00	226	Jun. 30, 2022	Ikon Weapons, LLC	IKON3	IKON2004 000506
\$ 20,000.00	227	Jul. 30, 2022	Ikon Weapons, LLC	IKON3	IKON2004 000535
\$ 25,000.00	228	Aug. 30, 2022	Ikon Weapons, LLC	IKON3	IKON2004 000555

Promised Goods Delivered by Ikon to PSA to date:

NONE.

- 3DC Projects, LLC is a single member LLC owned and operated by Mr. Deaza.
- Mr. Deaza used the corporate account to cover numerous **personal** expenses, such as paying down credit cards in his own name, paying for his children's private education, paying off the mortgage balance on an apartment owned by him, etc.
- Mr. Deaza purports that the payments from Ikon to 3DC Projects, LLC are for consulting services for improvements made at Ikon's facilities located at 234 Liberty Church Road, Mount Gilead, NC 27306 and 202 NC 24/27, Albermarle, NC 28001.
- PSA did not authorize its entrusted funds to be used to fund Mr. Deaza's lifestyle or Ikon's business operations.
- *All* of these payments to 3DC Project, LLC were made with PSA's entrusted funds.
- This is *only* a sample of Mr. Deaza's spending and not a complete accounting.

What Ikon Weapons, LLC and Mr. Deaza Have Actually Done ...



Proforma Invoice No. 112 – 2021, August 28, 2021
Akila Chassis (Sniper Rifles) / \$25,300.00



Proforma Invoice No. 118 – 2021, September 9, 2021
Gas Masks / \$8,988.00



Proforma Invoice No. 118 – 2021, September 9, 2021
Russian Ammo. / \$14,450,000.00

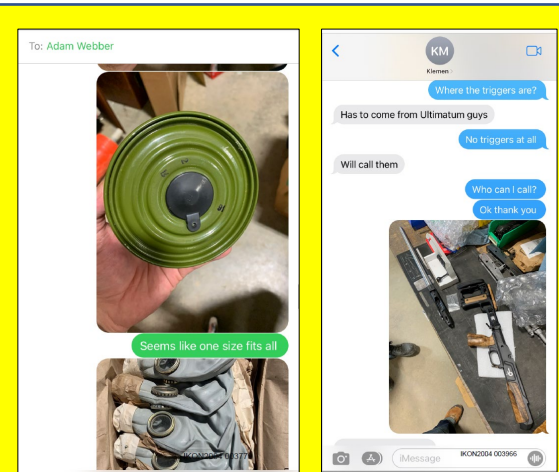


IZOP-K

Email from IZOP-K to Mr. Deaza, dated May 24, 2022, advises of “80 containers load from Barnaul” and “12 containers load from Vympel-Amurski.” The Barnaul ammunition is coming from the “Barnaul Cartridge Plant” in Barnaul, Russia. The Vympel ammunition is coming from the “AMURSK CARTRIDGE PLANT” located in Amursk, Russia. IZOP-K advises “We would need to send containers towards Columbia and than move them back to USA with IZOP documents.”

- This is **only** a sample of Mr. Deaza’s/Ikon’s business with IZOP-K.
- Bank records show **NO** payments from Ikon to IZOP-K other than those purportedly for firearms that are the subject of the Montenegrin and Serbian Agreements.
- Ikon’s transactions with IZOP-K were made with PSA’s entrusted funds.

Promised Goods Delivered by Ikon to PSA to date: NONE.



Text messages from Mr. Deaza confirming receipt of shipment of gas masks and Akila Chassis Sniper Rifles from IZOP-K.

What Ikon Weapons, LLC and Mr. Deaza Have Actually Done ...



\$266,239.50

August 25, 2022



IZOP-K

- So-called “Montenegro Agreement” is purportedly cancelled on March 10, 2022.
- Funds under Proforma 131-2021 (8,000 AK M70) redirected to alternate suppliers (i.e., NB INAT and DORI Group).
- IZOP-K contracts with NB INAT for 4,000 AK-47 in the amount of 1,142,880 EU.
- IZOP-K contracts with DORI Group for 1,940 AK-47 in the amount of 497,400 EU.
- IZOP-K refunds Ikon the exchange rate difference of \$266,239.50 between its contracts with NB INAT and DORI Group (1,536,580.00 EU) and the total under Pro Forma 131-2021 (\$1,872,000.00)

1,142,880 EU (contracted amt.)
Mar. 9, 2022



**4,000 AK contracted
(partial payment)**

497,400 EU (contracted amt.)
Mar. 3, 2022



**1,940 AK contracted
(partial payment)**

Promised Goods Delivered by Ikon to PSA to date: NONE.

What Ikon Weapons, LLC and Mr. Deaza Have Actually Done ...



Ikon Invoice No. 173A
September 3, 2021
\$422,490.00

Ikon Invoice No. 344
June 14, 2022
\$886,380.00



September 2, 2021:
\$363,816.60

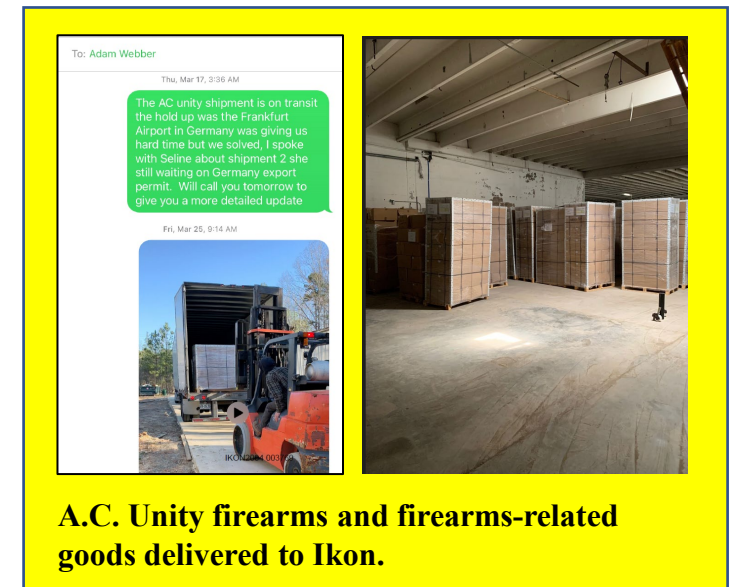
December 22, 2021:
\$231,899.20

\$595,715.80

Proforma 046A-21
Proforma 047A-21
September 2, 2021
Total: 414,210.00 EU

Proforma 069-21
Proforma 063-21
Proforma 068-21
Proforma 064-21
November 16/19, 2021
Total: 1,326,107.36 EU

1,000 Flare Guns Sold
\$96,801.00
April 5, 2022



A.C. Unity firearms and firearms-related goods delivered to Ikon.

Promised Goods Delivered by Ikon to PSA to date: NONE.

Case 22-02021 Doc 36 Filed 11/08/22 Page 14 of 14

Summary of the Facts and Evidence

- Ikon was a business losing money and with declining sales in 2020.
- PSA's entrusted funds were misappropriated and used to pay for Mr. Deaza's improved lifestyle (e.g., new home, new car, paying off personal credit card debts, children's private education, etc.).
- PSA's entrusted funds were misappropriated and used to grow Ikon's business operations (e.g., improvements to current facility, purchase of a larger facility, purchase of business machinery, acquisition of new inventory, etc.).
- **PSA ENTRUSTED IKON WITH \$4,504,504.00 FOR THE EXCLUSIVE PURPOSE OF ACQUIRING THE PROMISED FIREARMS AND FAILING THAT THE ENTRUSTED FUNDS WERE REQUIRED TO BE RETURNED.**
- **NOT A SINGLE PROMISED FIREARM OR FIREARMS KIT OR PARTS UNDER THE MONTENEGRIN OR SERBIA AGREEMENTS HAVE BEEN DELIVERED TO PSA (EVEN THOUGH IKON HAS MANAGED TO SHIP MULTIPLE CONTAINERS OF FIREARMS PARTS AND RELATED PRODUCTS TO FILL ITS OWN INVENTORY).**
- **THE AGREEMENTS WITH PSA WERE A FRAUD. IKON AND MR. DEAZA SECURED THE ENTRUSTED FUNDS THROUGH DISHONESTY AND THEN, MISAPPROPRIATED PSA'S ENTRUSTED FUNDS TO BUY PERSONAL ASSETS AND BUSINESS ASSETS THAT HAVE NOTHING TO DO WITH THE TRANSACTIONS WITH PSA AND NOW THEY SEEK TO HAVE THIS COURT ALLOW THEM TO PROFIT FROM THEIR FRAUD AND DECEIT.**